



Rep. Barbara Flynn Currie

Filed: 5/21/2014

09800SB2612ham001

LRB098 14519 HLH 59962 a

1 AMENDMENT TO SENATE BILL 2612

2 AMENDMENT NO. _____. Amend Senate Bill 2612 immediately
3 below the enacting clause, by inserting the following:

4 "Section 3. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 2505-190 and by adding Section 2505-180 as follows:

7 (20 ILCS 2505/2505-180 new)

8 Sec. 2505-180. Private letter rulings.

9 (a) The Department shall, subject to the provisions of this
10 Section and rules adopted by the Department, issue private
11 letter rulings in response to written taxpayer inquiries
12 received after December 31, 2014, concerning the application of
13 a tax statute or rule to a specific fact situation.

14 The Department shall respond to a request for a private
15 letter ruling within 120 days of the date of receipt of the
16 request by issuing a private letter ruling, issuing a letter

1 that declines the request for private letter ruling, or issuing
2 a general information letter. If the Department declines a
3 request for a private letter ruling, the Department must
4 provide the person requesting the ruling the specific reason
5 for the denial. If the Department requests additional
6 information and the taxpayer fails to provide the additional
7 information within 30 days, unless extended by agreement, the
8 private letter ruling request shall be deemed to be withdrawn.
9 If the Department requests additional information, the 120-day
10 period shall be tolled until the additional information is
11 provided by the taxpayer. Each 120-day period may be extended
12 by agreement with the person making the request for a private
13 letter ruling.

14 Each request for a private letter ruling shall be verified
15 by a written declaration that it is made under the penalty of
16 perjury. The request must be signed by the taxpayer or a person
17 authorized to sign on behalf of the taxpayer.

18 (b) A private letter ruling request may not be withdrawn by
19 the taxpayer after the Department has completed its review of
20 the request and is prepared to issue a negative ruling, unless
21 agreed to by the Department.

22 (c) A private letter ruling shall be binding on the
23 Department only as to the taxpayer who is the subject of the
24 request for a ruling, and only if the request contained no
25 omission or misstatement of material fact. A private letter
26 ruling shall cease to bind the Department if there is a

1 pertinent change in statutory law, case law, rules, or material
2 facts. Every private letter ruling is revoked on the date that
3 is 10 years after the date of issuance of the ruling, unless
4 the taxpayer is otherwise notified in writing of an earlier
5 date by the Department.

6 (20 ILCS 2505/2505-190) (was 20 ILCS 2505/39c-4)

7 Sec. 2505-190. Tax Compliance and Administration Fund.

8 (a) Amounts deposited into the Tax Compliance and
9 Administration Fund, a special fund in the State treasury that
10 is hereby created, must be appropriated to the Department to
11 reimburse the Department for its costs of collecting,
12 administering, and enforcing the tax laws that provide for
13 deposits into the Fund.

14 (b) As soon as possible after July 1, 2015, and as soon as
15 possible after each July 1 thereafter, the Director of the
16 Department of Revenue shall certify the balance in the Tax
17 Compliance and Administration Fund as of July 1, less any
18 amounts obligated, and the State Comptroller shall order
19 transferred and the State Treasurer shall transfer from the Tax
20 Compliance and Administration Fund to the General Revenue Fund
21 the amount certified that exceeds \$2,500,000.

22 (Source: P.A. 91-239, eff. 1-1-00.); and

23 on page 3, line 10, by replacing "5%" with "6%"; and

1 on page 3, line 21, after "Revenue", by inserting ", in
2 addition to legal staff to assist with implementation of the
3 Department's responsibilities under Section 2505-180 of the
4 Department of Revenue Law of the Civil Administrative Code of
5 Illinois"; and

6 on page 15, line 2, after "Department,", by inserting "in
7 addition to legal staff to assist with implementation of the
8 Department's responsibilities under Section 2505-180 of the
9 Department of Revenue Law of the Civil Administrative Code of
10 Illinois,"; and

11 on page 15, line 3, by replacing "5%" with "6%"; and

12 on page 40, line 7, after "Revenue,", by inserting "in addition
13 to legal staff to assist with implementation of the
14 Department's responsibilities under Section 2505-180 of the
15 Department of Revenue Law of the Civil Administrative Code of
16 Illinois,"; and

17 on page 40, line 7, by replacing "5%" with "6%"; and

18 on page 55, line 20, after "Revenue,", by inserting "in
19 addition to legal staff to assist with implementation of the
20 Department's responsibilities under Section 2505-180 of the
21 Department of Revenue Law of the Civil Administrative Code of

1 Illinois,"; and

2 on page 55, line 20, by replacing "5%" with "6%"; and

3 on page 71, line 21, after "Revenue,", by inserting "in
4 addition to legal staff to assist with implementation of the
5 Department's responsibilities under Section 2505-180 of the
6 Department of Revenue Law of the Civil Administrative Code of
7 Illinois,"; and

8 on page 71, line 21, by replacing "5%" with "6%"; and

9 on page 106, line 2, after "Revenue,", by inserting "in
10 addition to legal staff to assist with implementation of the
11 Department's responsibilities under Section 2505-180 of the
12 Department of Revenue Law of the Civil Administrative Code of
13 Illinois,"; and

14 on page 106, line 2, by replacing "5%" with "6%"; and

15 on page 114, line 22, by replacing "5%" with "6%"; and

16 on page 115, line 3, after "Revenue", by inserting ", in
17 addition to legal staff to assist with implementation of the
18 Department's responsibilities under Section 2505-180 of the
19 Department of Revenue Law of the Civil Administrative Code of

1 Illinois"; and

2 on page 116, line 21, by replacing "5%" with "6%"; and

3 on page 117, line 2, after "Revenue", by inserting ", in
4 addition to legal staff to assist with implementation of the
5 Department's responsibilities under Section 2505-180 of the
6 Department of Revenue Law of the Civil Administrative Code of
7 Illinois"; and

8 on page 117, immediately below line 5, by inserting the
9 following:

10 "Section 45. The Uniform Penalty and Interest Act is
11 amended by changing Sections 3-6 and 3-8 as follows:

12 (35 ILCS 735/3-6) (from Ch. 120, par. 2603-6)

13 Sec. 3-6. Penalty for fraud.

14 (a) If any return or amended return is filed with intent to
15 defraud, in addition to any penalty imposed under Section 3-3
16 of this Act, a penalty shall be imposed in an amount equal to
17 50% of any resulting deficiency.

18 (b) If any claim is filed with intent to defraud, a penalty
19 shall be imposed in an amount equal to 50% of the amount
20 fraudulently claimed for credit or refund.

21 (c) If a taxpayer has a tax liability for the taxable

1 period ending after June 30, 1983 and prior to July 1, 2002
2 that is eligible for amnesty under the Tax Delinquency Amnesty
3 Act and the taxpayer fails to satisfy the tax liability during
4 the amnesty period provided for in that Act for that taxable
5 period, then the penalty imposed by the Department under this
6 Section shall be imposed in an amount that is 200% of the
7 amount that would otherwise be imposed under this Section.

8 (d) If a taxpayer has a tax liability for the taxable
9 period ending after June 30, 2002 and prior to July 1, 2009
10 that is eligible for amnesty under the Tax Delinquency Amnesty
11 Act, except for any tax liability reported pursuant to Section
12 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)) that
13 is not final, and the taxpayer fails to satisfy the tax
14 liability during the amnesty period provided for in that Act
15 for that taxable period, then the penalty imposed by the
16 Department under this Section shall be imposed in an amount
17 that is 200% of the amount that would otherwise be imposed
18 under this Section.

19 (e) Notwithstanding any other provision of this Act, if a
20 taxpayer files a return or an amended return based on a private
21 letter ruling issued by the Department under Section 2505-180
22 of the Department of Revenue Law of the Civil Administrative
23 Code of Illinois, and it is later determined that the
24 information provided by the taxpayer to the Department related
25 to the issuance of that private letter ruling contained
26 intentional misstatements of fact or omissions of fact capable

1 of influencing the outcome of the Department's private letter
2 ruling, the taxpayer shall be subject to the penalty imposed by
3 subsection (a) of this Section.

4 (Source: P.A. 96-1435, eff. 8-16-10.)

5 (35 ILCS 735/3-8) (from Ch. 120, par. 2603-8)

6 Sec. 3-8. No penalties if reasonable cause exists. The
7 penalties imposed under the provisions of Sections 3-3, 3-4,
8 3-5, and 3-7.5 of this Act shall not apply if the taxpayer
9 shows that his failure to file a return or pay tax at the
10 required time was due to reasonable cause. Reasonable cause
11 shall be determined in each situation in accordance with the
12 rules and regulations promulgated by the Department. A taxpayer
13 may protest the imposition of a penalty under Section 3-3, 3-4,
14 3-5, or 3-7.5 on the basis of reasonable cause without
15 protesting the underlying tax liability. If a taxpayer requests
16 a private letter ruling under Section 2505-180 of the
17 Department of Revenue Law of the Civil Administrative Code of
18 Illinois, and the Department does not issue the private letter
19 ruling, a letter that declines the request for private letter
20 ruling, or a general information letter within 120 days of
21 receipt of the request by the Department, or within an extended
22 time period as provided under subsection (a) of Section
23 2505-180 of the Department of Revenue Law of the Civil
24 Administrative Code of Illinois, then the taxpayer shall be
25 deemed to have reasonable cause for any delinquency with regard

1 to an issue that was the subject of its ruling request that
2 occurs after the 120th day after the receipt of the request (or
3 after the expiration of the extended time period as provided
4 under subsection (a) of Section 2505-180 of the Department of
5 Revenue Law of the Civil Administrative Code of Illinois, if
6 applicable) and prior to the date the taxpayer receives the
7 private letter ruling, a letter that declines the request for
8 private letter ruling, or a general information letter. The
9 person requesting the private letter ruling shall have no
10 additional remedies against the Department for failing to issue
11 or timely issue a requested private letter ruling.

12 (Source: P.A. 91-803, eff. 1-1-01.)".